

United States Department of Agriculture
Extension Service
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Reserve

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+ THE LIVESTOCK AND MEAT SITUATION*

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The record civilian demand during the last 5 years has given us an idea of how great the demand for meat can be if the people have the money to buy it. The average consumption of meat between the last two wars was 134 pounds per capita, with highs of 147 pounds in 1924 and 1925 and a low of 116 pounds in 1935. It was estimated that United States civilians with their increased incomes and ceiling prices during the war years would have purchased 170 pounds per capita, or 127 percent of the long-time average, if the meat had been made available to them. Civilian consumption of meat in 1946 probably averaged about 146 pounds per capita.

Despite the relative shortage of beef during recent years, probably more people have eaten good beef than ever before. They have had the money to buy it, and during the war the allowance was the same for all civilians. Millions of men in the armed forces ate much more beef than they ate at home. We have not had the unfavorable propaganda against meats that we did in World War I. Research work on their nutritive value has provided a potent means for debunking false programs designed to lure consumers away from meats. Consumers everywhere have learned new and more appetizing methods of preparing meats for the table and of utilizing to good advantage the lower grades and the lower priced and less tender cuts. With freezer lockers it is now possible for thousands of people who formerly depended upon cereals and cured meats for a large part of their diet to enjoy good frozen meat every day in the year.

Beef cattle numbers and beef consumption in the United States have not kept pace with the increase in the human population since the early 1900's. There has been a gradual downward trend in our per capita beef consumption. With the vast natural resources for livestock production and the potential demand for meat in this country, we have a real opportunity to reverse the downward trend in beef consumption. Experience from World War I indicates to us that we must not put much dependence on postwar export demand for beef. South America and Australia offer tough competition in foreign meat markets. Full employment and reasonably priced meats are among the most important requirements for maintaining a large and profitable meat industry in the United States.

* Statement for discussion of the livestock and meat outlook at the annual meeting of the Virginia Beef Cattle Producers Association, Richmond, Va., January 16, 1947.

Meat is universally well liked, but relatively expensive. Demand for it falls rapidly with declining incomes. On the basis of past relationships with the same per capita supply of meat, a 6 percent decline in the average income of consumers would be accompanied by a 10 percent decline in retail meat prices. A 10 percent increase in the per capita meat supply was associated with a corresponding decline in retail meat prices. Changes in the pattern of national income distribution and the level of other living costs modify these relationships. A food survey in the spring of 1942 showed that an increase of 40 percent in family income starting from \$1,250 annually was associated with a 12 percent increase in per capita meat purchases, whereas purchases were increased 40 percent when the income was doubled.

Aggregate average annual meat production between the last two wars was 16.5 billion pounds. Net domestic consumption was 16 billion pounds. Total meat production in 1947 is expected to be 23 billion pounds. Civilian supplies for this year will probably average about 155 pounds per capita, or around 115 percent of the long-time average. Since one kind of meat may be substituted for another, the market situation for the various kinds of meats is closely related. Normally, the average meat diet is composed of 47 percent beef and veal, 4.5 percent lamb and mutton, and 48.5 percent pork.

The number of cattle on feed for market January 1 was about 2 percent over last year and only 3 percent less than the record high of 4.5 million reached on January 1, 1943. However, a considerable number of cattle to be fed for slaughter have evidently not yet been put on grain feed. Shipments of stocker and feeder cattle into the Corn Belt the last half of 1946 were 20 percent greater than in the corresponding period a year earlier and represented an all-time record number. Cattle slaughter in December was a record for that month and, after making allowance for seasonal tendencies, was about 15 percent above the expected average monthly slaughter in 1947, indicating short feeding periods and rapid turn-overs. Cattle feeders' intention reports also indicate that cattle will be fed shorter periods than last year. If these intentions are carried out, the supply of well-finished cattle during the next few months will be relatively small. Feed supplies are large and beef-feed price ratios unusually favorable. Record supplies of corn are available to feeders, and wheat pastures have been excellent. In November the spread between prices of good-grade slaughter steers at Chicago and the average price of all grades and weights of feeder steers at Kansas City was \$9.33 per 100 pounds. The spread in November 1945, including subsidy, was \$3.87.

Slaughter of cattle in the first 6 months of 1947 may set a new high. Most of the cattle slaughtered in the first half of the year are grain fed. However, marketings from wheat pastures in Kansas, Oklahoma, and Texas are also expected to be large this year. Peak marketings from wheat pastures occur in April.

Slaughter of cattle next summer and fall is also likely to continue large. The relatively high proportion of calves and lightweight feeders going to feed lots in recent months indicates that marketings of fed

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Estimated livestock slaughter and meat production by quarters, 1946

	Beef			Veal			Lamb and mutton			Pork		
	Head	Yield	Pro- duc- tion	Head	Yield	Pro- duc- tion	Head	Yield	Pro- duc- tion	Head	Yield	Pro- duc- tion
	Thous.	Lb.	Mil.lb.	Thous.	Lb.	Mil.lb.	Thous.	Lb.	Mil.lb.	Thous.	Lb.	Mil.lb.
1946												
Jan.-Mar.												
Fed. inspected	2,930	524	1,536	1,351	87	118	5,614	46	257	13,245	150	1,990
Other whse. & retail	2,058	459	944	1,480	108	160	721	42	30	4,220	135	571
Farm	210	370	72	130	122	22	180	40	7	5,640	130	733
Total	5,198	492	2,558	3,011	100	300	6,515	45	294	23,105	143	3,294
Apr.-June												
Fed. inspected	1,842	550	1,013	1,142	91	104	4,787	41	198	10,323	149	1,539
Other whse. & retail	1,669	472	788	1,296	113	147	800	40	32	3,315	136	451
Farm	150	370	56	140	140	20	90	40	4	760	130	99
Total	3,661	507	1,857	2,578	105	271	5,677	41	234	14,398	145	2,089
July-Sept.												
Fed. inspected	2,838	482	1,368	1,440	127	183	4,616	41	183	7,144	163	1,164
Other whse. & retail	1,700	455	774	1,300	125	162	650	38	25	2,500	130	325
Farm	50	370	18	110	140	15	90	39	4	600	125	75
Total	4,588	469	2,160	2,850	126	360	5,356	40	217	10,244	152	1,564
Oct.-Dec.												
Fed. inspected	3,803	460	1,750	1,897	125	238	4,880	42	206	13,632	141	1,934
Other whse. & retail	1,900	425	808	1,560	125	195	650	38	25	4,000	130	520
Farm	190	370	70	220	150	33	210	39	8	7,000	125	875
Total	5,893	446	2,628	3,677	127	466	5,740	42	239	24,632	135	3,329
Year												
Fed. inspected	11,413	497	5,667	5,830	110	643	19,897	43	849	44,394	149	6,627
Other whse. & retail	7,327	452	3,314	5,636	118	664	2,821	40	112	14,035	133	1,867
Farm	600	370	222	650	138	90	570	40	23	14,000	127	1,782
Total	19,340	476	9,203	12,116	115	1,397	23,288	42	984	72,429	142	10,276

U. S. Department of Agriculture, Supply Estimate Committee, 1/14/47 - Preliminary.

Estimated livestock and meat production, by quarters, 1947

Item	Beef			Veal			Lamb and Mutton			Pork (excl. lard)			Total	
	Head:	Yield:	Prod.:	Head:	Yield:	Prod.:	Head:	Yield:	Prod.:	Head:	Yield:	Prod.:	Meat	
1947	Thous.	Lb.	Mil. Lb.	Thous.	Lb.	Mil. Lb.	Thous.	Lb.	Mil. Lb.	Thous.	Lb.	Mil. Lb.	Mil. Lb.	Lb.
Jan.-Mar.														
Fed. insp.	3,400	520	1,768	1,500	95	142	4,600	43	198	13,000	145	1,885	3,993	
Other whse. & ret.	1,700	445	756	1,400	105	147	500	40	20	3,800	130	494	1,417	
Farm	200	370	74	200	122	24	200	40	8	5,640	130	733	839	
Total	5,300	490	2,598	3,100	101	313	5,300	43	226	22,440	139	3,112	6,249	
Apr.-June														
Fed Insp.	3,200	550	1,760	1,600	98	157	4,400	41	180	10,500	148	1,554	3,651	
Other whse. & ret.	1,500	445	668	1,400	113	158	500	39	20	2,800	130	364	1,210	
Farm	200	370	74	100	140	14	100	40	4	760	130	99	191	
Total	4,900	511	2,502	3,100	106	329	5,000	41	204	14,060	143	2,017	5,052	
July-Sept.														
Fed. insp.	3,700	500	1,850	1,800	128	230	4,400	41	180	8,500	160	1,360	3,620	
Other whse. & ret.	1,600	440	704	1,300	120	156	600	38	23	2,300	130	299	1,182	
Farm	50	370	18	110	140	15	90	39	4	600	125	75	112	
Total	5,350	481	2,572	3,210	125	401	5,090	41	207	11,400	152	1,734	4,914	
Oct.-Dec.														
Fed. insp.	4,000	470	1,880	2,200	130	286	4,600	41	189	14,000	140	1,960	4,315	
Other whse. & ret.	1,800	425	765	1,400	125	175	600	38	23	4,000	130	520	1,483	
Farm	190	370	70	220	150	33	210	39	8	7,000	125	875	986	
Total	5,990	453	2,715	3,820	129	494	5,410	41	220	25,000	134	3,355	6,784	
Year														
Fed. insp.	14,300	508	7,258	7,100	115	815	18,000	42	747	46,000	147	6,759	15,579	
Other whse. & ret.	6,600	438	2,893	5,500	116	636	2,200	39	86	12,900	130	1,677	5,292	
Farm	640	369	236	630	137	86	600	40	24	14,000	127	1,782	2,128	
Total	21,540	482	10,387	13,230	116	1,537	20,800	41	857	72,900	140	10,218	22,999	

Supply Estimates Committee, December 20, 1946

cattle will continue large throughout the summer and early fall. If cattlemen should decide to reduce the numbers of breeders or potential breeders substantially, slaughter at that time might reach a record.

The breeding herd is the cattle industry's production plant. As long as the output in the form of calves, heifers, and steers commands a favorable market and feed and grazing resources make it possible to maintain and finish out the cattle raised, there will be no tendency on the part of producers to reduce cow numbers to any great extent. Estimated total meat production of 23 billion pounds in 1947 is based on a slaughter of 34.8 million cattle and calves and the production of 11.9 billion pounds of beef and veal. This slaughter would reduce the cattle population by about 2 million head.

Production of beef and veal per person in 1947 probably will be greater than in 1946 and will be among the largest in 35 years. With declining exports and military purchases in prospect, supplies of beef and veal for domestic consumption will equal or exceed the 70 pounds consumed per person in 1945, which was the second largest since 1918.

Prices of good and choice cattle may decline substantially next spring as marketings of fed cattle increase more than seasonally. Prices of lower grade cattle, however, are likely to remain relatively higher through the first half of 1947, because of seasonally small supplies. Substantial declines in the prices of lower grade cattle are in prospect next fall when marketings will be large. All cattle prices will decline sharply if consumer incomes decline materially.

Hog slaughter during the 1946-47 hog marketing season (beginning in October) is expected to be slightly smaller than during 1945-46. Most of the reduction will occur during the second and third quarters of 1947 when hogs from the reduced 1946 fall pig crop (11 percent less than 1945) are marketed. Hog slaughter during October to March 1946-47 probably will total about the same as a year earlier. The number of hogs on farms from the 1946 spring pig crop December 1 was 4 percent less than a year earlier. This indicates that hog slaughter through March or April probably will total moderately less than a year earlier.

Slaughter during the first half of the 1947-48 hog marketing year from the 1947 crop of spring pigs will be larger than the October-March slaughter this season, probably by as much as 5 to 10 percent.

Hog slaughter reached a peak in November-January and will decline fairly sharply until April. A secondary peak is expected in May-June, corresponding to the peak in fall farrowings last September. From July through September, slaughter will be seasonally small and smaller than in 1946. Despite the sharp seasonal rise in prospect for the fourth quarter of 1947, slaughter for the year probably will be about the same as in 1946.

Hog corn price ratios probably will continue favorable for hog producers during at least the next 6 months, with a strong demand for

hogs in prospect and large supplies of corn. This is likely to result in continuing above average market weight for hogs and increased breeding of sows. The greater the expansion of hog production during the coming months, the more vulnerable hog prices will be if consumers' incomes drop materially in 1947-48.

Hog prices probably will be at high levels through the summer of 1947 in response to strong consumer demand for meat and to the more than seasonal reduction in pork supplies next summer.

Fewer lambs will be grain fed in the 1946-47 feeding season than in any season since 1939-40. Slaughter in 1946 was large in relation to the small lamb crop, leaving fewer lambs for feeding and herd replacement. The 1947 lamb crop is expected to decline for the sixth successive year, and probably will be the smallest in around 20 years.

Slaughter lamb prices are likely to remain high through the winter and early spring, but may decline more than seasonally in the late summer and fall if demand for meat weakens. But, slaughter lamb prices probably will be high relative to cattle prices in 1947 as a whole. Beef supplies will be large and lamb supplies small.